



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

SEP 05 2013

REPLY TO THE ATTENTION OF:

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Todd Siebenaler, Plant Manager
Spectro Alloys Corporation
13220 Doyle Path
Rosemount, Minnesota 55068

Re: Administrative Order EPA-5-13-113(a)-MN-02

Dear Mr. Siebenaler:

Enclosed is an executed original of the Administrative Consent Order regarding the above-captioned case. If you have any questions about the Order, please contact me at (312) 886-6073.

Sincerely,

Brian Dickens for BHD

Brian Dickens
Chief
Air Enforcement and Compliance Assurance Section (MN/OH)

Enclosure: Administrative Consent Order EPA-5-13-113(a)-MN-02

cc: Sarah Kilgrift
Minnesota Pollution Control Agency

Katie Koelfgen
Minnesota Pollution Control Agency

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

In the Matter of:)	EPA-5-13-113(a)-MN-02
)	
Spectro Alloys Corporation)	Proceeding Under Sections 113(a)(3) and
Rosemount, Minnesota)	114(a)(1) of the Clean Air Act
)	42 U.S.C. §§ 7413(a)(3) and 7414(a)(1)
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Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5, is issuing this Order to Spectro Alloys Corporation (Spectro) under Sections 113(a)(3) and 114(a)(1) of the Clean Air Act (CAA or Act), 42 U.S.C. §§ 7413(a)(3) and 7414(a)(1).

Statutory and Regulatory Background

2. The CAA establishes a regulatory scheme designed to protect and enhance the quality of the nation's air so as to promote the public health and welfare and the productive capacity of its population. 42 U.S.C. § 7401(b)(1).
3. Section 112 of the CAA sets forth a national program for the control of Hazardous Air Pollutants (HAPs). 42 U.S.C. § 7412.
4. Under Section 112 of the CAA, 42 U.S.C. § 7412, the Administrator of EPA promulgated the General Provisions of the National Emission Standards for Hazardous Air Pollutants (NESHAP) at 40 C.F.R. Part 63, Subpart A; 40 C.F.R. §§ 63.1 – 63.16 on March 16, 1994. 59 Fed. Reg. 12430 (March 16, 1994).

5. "Major source" was and is defined as any stationary source or group of stationary sources located within a contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 tons per year or more of any HAP or 25 tons per year or more of any combination of HAPs. 42 U.S.C. § 7412(a)(1) and 40 C.F.R. § 63.2.
6. Under Section 112 of the CAA, 42 U.S.C. § 7412, on March 23, 2000, EPA promulgated regulations governing the NESHAP for Secondary Aluminum Production in 40 C.F.R. Part 63, Subpart RRR. 65 Fed. Reg. 15710 (March 23, 2000).
7. Pursuant to the NESHAP at 40 C.F.R. § 63.1501, the owner or operator of an existing affected source must comply with the requirements of Subpart RRR by March 24, 2003; and the owner or operator of a new affected source that commences construction or reconstruction after February 11, 1999, must comply with the requirements by March 24, 2000, or upon startup, whichever is later.
8. Subpart RRR applies to owners and operators of each affected secondary aluminum production facility and secondary aluminum processing unit, including new and existing aluminum scrap shredders.
9. An aluminum scrap shredder, as that term is defined at 40 C.F.R. § 63.1503, means a unit that crushes, grinds, or breaks aluminum scrap into a more uniform size prior to processing or charging to a scrap dryer/delacquering kiln/decoating kiln, or furnace.
10. The NESHAP, at 40 C.F.R. § 63.1505(b)(1), requires that on and after the compliance date established by § 63.1501, the owner or operator of an aluminum scrap shredder at a secondary aluminum production facility that is a major source must not discharge or cause

to be discharged to the atmosphere emissions in excess of 0.010 grain (gr) of PM per dry standard cubic foot (dscf).

11. The NESHAP, at 40 C.F.R. § 63.1511(e), requires that each owner or operator of affected sources and emission units located at secondary aluminum production facilities that are major sources conduct a performance test every 5 years following the initial performance test.
12. The General Provisions of the NESHAP, at 40 C.F.R. § 63.6(e)(1)(i), require that at all times, including periods of startup, shutdown, and malfunction, the owner or operator must operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions.
13. After the effective date of any emission standard, limitation, or regulation promulgated pursuant to Section 112 of the CAA, no person may operate a source in violation of such standard, limitation, or regulation. 42 U.S.C. § 7412(i)(3).
14. Under Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating the NESHAP regulations. The Administrator has delegated this authority to the Director of the Air and Radiation Division.
15. The Administrator of EPA may require any person who owns or operates an emission source to make reports; install, use and maintain monitoring equipment; sample emissions; and provide information required by the Administrator under Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1). The Administrator has delegated this authority to the Director of the Air and Radiation Division.

Findings

16. Spectro owns and operates the facility located at 13220 Doyle Path East, Rosemount, Minnesota (Facility).
17. Spectro emits dioxins and furans and hydrochloric acid, which are HAPs listed under Section 112(b) of the Act, 42 U.S.C. § 7412(b).
18. Spectro is a "major source" for HAP as that term is defined at 40 C.F.R. § 63.2.
19. As a secondary aluminum production facility, Spectro's Facility is an emission source subject to the requirements of the Act, including 40 C.F.R. Part 63, Subpart RRR.
20. At the Facility, Spectro owns and operates an aluminum scrap shredder (Hammermill); as that term is defined at 40 C.F.R. § 63.1503, and associated baghouse. The Hammermill and associated baghouse are together designated emission unit SV008.
21. Minnesota Pollution Control Agency (MPCA) issued a Total Facility Operating Permit 03700066-001 to Spectro on June 15, 1995, and final Title V Permit 03700066-001 to Spectro on April 22, 2005.
22. Spectro's Permit 03700066-001 incorporates by reference the NESHAP for secondary aluminum production in Table A, including PM limits associated with its Hammermill.
23. Spectro's Permit 03700066-001 and the NESHAP at 40 C.F.R. § 63.1505(b)(1) limit PM emissions from the Hammermill baghouse to 0.010 grain (gr) of PM per dry standard cubic foot (dscf).
24. In accordance with its permit and the NESHAP at 40 C.F.R. § 63.1511(e), Spectro conducted a performance test at the Hammermill on January 8-9, 2013.

25. Spectro submitted a test report for the January 2013 performance test at the Hammermill to EPA and MPCA on February 15, 2013.
26. Results of the January 2013 performance test at the Hammermill showed PM emissions of 0.028 gr/dscf.
27. Spectro submitted draft results of the January 2013 performance test at the Hammermill to EPA on January 24, 2013; Spectro indicated that frozen and blinded bags were the likely cause of the exceedance.
28. EPA issued a Notice and Finding of Violation (NOV/FOV) to Spectro on March 26, 2013, alleging Spectro emitted PM in excess of limits contained in its Title V Permit and the NESHAP at 40 C.F.R. § 63.1505(b)(1) and failed to ensure its baghouse bags were in good working condition in accordance with the NESHAP at 40 C.F.R. §§ 63.6(e)(1)(i) during its January 8-9, 2013 performance test at the Hammermill baghouse.
29. In response to the FOV, EPA and Spectro participated in a conference call on April 22, 2013. Both before and after this call, Spectro provided EPA with information and documentation of actions taken by Spectro to correct the issues identified in the FOV. The information and documentation provided by Spectro included a revised draft Operations and Maintenance, Startup, Shutdown, and Malfunction Plan (OM&M-SSM Plan), records indicating when the Hammermill was running between January 8th and March 20th, 2013, and records measuring the pressure drop in the Hammermill for the period from October 2012 through March 2013.
30. Spectro's operational records indicate Spectro operated the Hammermill for 1,073 hours during the period January 8, 2013, to March 20, 2013.

31. During the period October 1, 2012 to March 31, 2013, Spectro measured, once per shift, pressure drops at the baghouse ranging from 2.42 to 2.95 inches of water, as recorded from the Honeywell data recorder at the Hammermill baghouse.

Compliance Program

32. By no later than two months after the Effective Date of this Order, Spectro shall incorporate into its OM&M Plan the following parameters for the baghouse associated with the Hammermill:

- a. Maintain the range of differential pressure ("pressure drop") at the baghouse consistently between 1 and 6 inches of water, as measured by the baghouse differential pressure gauge;
- b. Record, once per shift and once prior to each startup, the pressure drop at the baghouse;
- c. Visually inspect each baghouse bag monthly for leaks, broken bags, flaws, deficiencies, or any other substandard condition that may impede its ability to operate;
- d. Calibrate the baghouse differential pressure gauge quarterly according to manufacturer's specifications;
- e. Clean the baghouse inlet duct monthly;
- f. Visually inspect each pressure tap monthly for plugging;
- g. Visually inspect each baghouse leak detection system sensor monthly and remove any buildup of material that may collect on the probe or insulator;
- h. Calibrate and perform monthly QA checks at the baghouse leak detection system, including response tests and electronic drift checks;

- i. On daily logs, record any registered alarms or leaks detected by the system, if applicable;
 - j. In each daily log, identify the qualified personnel assigned to inspect and record the baghouse parameters identified in the subsections above for the Hammermill baghouse; and
 - k. Maintain records of inspections, including date, time, condition of each baghouse and baghouse leak detection system component as-found, results of response tests and drift checks, and a description of any actions taken during inspections (e.g., probe/insulator cleaning), including the name of the person conducting the inspection, testing, or maintenance.
33. By no later than three months after the Effective Date of this Order, Spectro must send the updated OM&M Plan incorporating these parameters to:

Attention: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

General Provisions

34. Spectro agrees to the terms of this Order and waives any right to contest or appeal the issuance of this Order.
35. This Order does not affect Spectro's responsibility to comply with other federal, state and local laws.
36. This Order does not restrict EPA's authority to enforce Section 112 of the CAA or any other section of the CAA.

37. Nothing in this Order limits the EPA's authority to seek appropriate relief, including penalties, under Section 113 of the CAA, 42 U.S.C. § 7413, for Spectro's violation of Section 112 of the CAA and the NESHAPs at 40 C.F.R. Part 63, Subparts A and RRR.
38. Failure to comply with this Order may subject Spectro to penalties of up to \$37,500 per day for each violation under Section 113 of the CAA, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.
39. The terms of this Order are binding on Spectro, its assignees and successors. Spectro must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the above address, that it has given the notice.
40. Spectro may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information it submits to EPA. Information subject to a business confidentiality claim is available to the public only to the extent allowed by 40 C.F.R. Part 2, Subpart B. If Spectro fails to assert a business confidentiality claim, EPA may make all submitted information available, without further notice, to any member of the public who requests it. Emission data provided under Section 114 of the Act, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. "Emission data" is defined at 40 C.F.R. § 2.301.
41. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 *et seq.*, because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation.
42. EPA may use any information submitted under this Order in an administrative, civil judicial or criminal action.

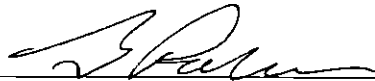
43. This Order is effective on the date of signature by the Director of the Air and Radiation Division ("Effective Date"). This Order will terminate two years from the Effective Date, provided that Spectro has complied with all terms of the Order throughout its duration.

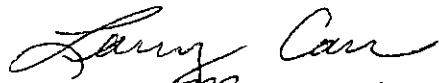
Administrative Consent Order

In the Matter of Spectro Alloys Corporation, Rosemount, Minnesota

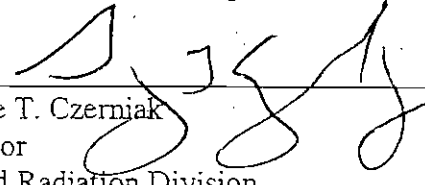
EPA-5-13-113(a)-MN-02

8/21/13
Date


Greg Palen
~~President~~ CHAIRMAN
Spectro Alloys Corporation


Larry Carr
EHS Manager

9/5/13
Date


George T. Czerniak
Director
Air and Radiation Division

CERTIFICATE OF MAILING

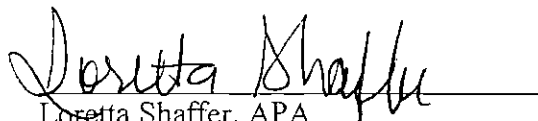
I, Loretta Shaffer, certify that I sent an Administrative Compliance Order, No. **EPA-5-13-113(a)-MN-02**, by Certified Mail, Return Receipt Requested, to:

Todd Siebenaler
Plant Manager
Spectro Alloys
13220 Doyle Path
Rosemount, Minnesota 55068

I also certify that I sent copies of the Administrative Consent Order by first class mail to:

Brent Rohne
Air Compliance and Enforcement Unit Supervisor
Minnesota Pollution Control Agency
520 Lafayette Road
St. Paul, Minnesota 55155-4194

on the 9 day of Sept, 2013.


Loretta Shaffer, APA
AECAB, PAS

CERTIFIED MAIL RECEIPT NUMBER: 7009 1680 0000 7669 5527